

209474

Telephone (202) 223-5900  
(703) 536-3063  
Telefax (703) 536-4841

*Rick A. Rude*

*Attorney at Law*

207 Park Avenue

Suite 103

Falls Church, Virginia 22046

24 November 2003



Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
1925 K Street, N.W.  
Washington, D.C. 20423

Re - DHX v. Matson Navigation Company and SL Service, Inc., f/k/a Sea-Land Service, Inc. Office of Proceedings  
STB Docket NO. WCC-105  
Amendment to Public Copy - Verified Statement of Mr. Bradley J. Dechter  
Doc.# 209275

NOV 24 2003

Dear Mr. Williams,

I am enclosing revised pages 25, 26 and 27 of the Public Copy of the Verified Statement of Mr. Bradley J. Dechter. The document filed on October 30th included confidential information in paragraphs 45 and 46 of the Verified Statement. Please insert the attached pages, which show paragraphs 45 and 46 as properly redacted, in the Board's public file and remove the pages 25, 26, and 27 as contained in the October 30th Public Document filing.

Your cooperation in this matter is appreciated.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Rick A. Rude".

Rick A. Rude

Counsel For  
DHX, Inc.

encls.

cc-

Richard A. Allen, Esq.

C. Jonathan Benner, Esq.

public/consumers standpoint, the change was an extremely large increase in what it paid for shipping services. Mr. Eric Sean Burns, a DHX Senior Rate Analyst, conducted a brief review of the impact of the tariff changes that Matson and Sealand/CSX imposed from September 1998 through April 2002. He also has provided copies of tariff materials which, on their face, show that named shipper rates (which are now obviously understood to be part of MOUs, in my opinion) certainly have not gone up 18%+. The disproportionate increases not only impact the forwarders, but the customers of the forwarders as well. Those customers can include the "mom and pop" and mid-sized businesses which are already at a very distinct disadvantage to the Sears, Wal-Marts, Sam's Clubs and the like. These small businesses, if the current pricing trends continue, will eventually fade away.

44. On November 18, 1998 the Rule 30C4 rates were deleted and Matson's tariff for the most part conformed to Sealand/CSX's with respect to rates. To me, the above actions confirmed the lack of competition within the trade as well as the two parties working together to eliminate a potential competitor. The benign neglect shown us by Sealand/CSX during the above period (knowing how it would hurt our business) indicated they too wanted to eliminate forwarders from the full containerload business. Indeed, Sealand/CSX's continuous statements to DHX management over a lengthy period of time confirmed that. Otherwise, they could've offered us long-term incentives in exchange for the bulk of our business (I'd requested price/volume agreements previously). They knew how upset we were with Matson. But what incentive did they have? Matson's actions were basically forcing the business over to Sealand/CSX in any event.

45.

**REDACTED**

**REDACTED**

**REDACTED**

46.

**REDACTED**

**REDACTED**

**REDACTED**

47. On February 14, 1999 Matson and Sealand/CSX implemented a 2.5% General Rate Increase (GRI) on all commodity items. This increase did not apply to the overflow minimums, and a GRI was published on all other containerload rates at 2.5%. DHX implemented a similar increase – its second increase in a 6 month period for total increases of 17.5%.
48. On October 17, 1999, Matson again increased the minimum overflow provision, another 7.5%, putting another nail in the coffin of DHX's now soon-to-be-dead Full Containerload Division. For LCL freight, DHX was forced to absorb this ocean carrier increase, since it did not apply to the entire shipping public, and would have substantially impacted DHX in terms of our pricing credibility in the market place.

SUMMARY

49. At this point, I would ask The Board to look at the information contained in the years of hindsight since the complaint was initially filed:

A) We have a situation wherein both ocean carriers eliminated or significantly changed